

UNITED STATES DEPARTMENT OF JUSTICE  
WASHINGTON, D.C. 20530

SUPPLEMENTAL STATEMENT

Pursuant to Section 2 of the Foreign Agents  
Registration Act of 1938, as Amended

For Six Month Period Ending APR 1 1978  
(Insert date)

Name of Registrant **CORPORACION DE FOMENTO  
X DE LA PRODUCCION**

Registration No. **401**

Business Address of Registrant

**One World Trade Center - Suite 5151  
New York, NY 10048**

I - REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(2) Citizenship	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(3) Occupation	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(b) If an organization:

(1) Name	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(2) Ownership or control	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(3) Branch offices	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Explain fully all changes, if any, indicated in Item 1.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name

Position

Date Connection  
Ended

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? ☐ Yes ☒ No

If yes, furnish the following information:

<i>Name</i>	<i>Residence Address</i>	<i>Citizenship</i>	<i>Position</i>	<i>Date Assumed</i>
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5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? ☐ Yes ☐ No

If yes, identify each such person and describe his services.

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6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? ☐ Yes ☒ No

If yes, furnish the following information:

<i>Name</i>	<i>Position or connection</i>	<i>Date terminated</i>
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7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? ☐ Yes ☒ No

If yes, furnish the following information:

<i>Name</i>	<i>Residence Address</i>	<i>Position or connection</i>	<i>Date connection began</i>
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## II - FOREIGN PRINCIPAL

8. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

*Name of foreign principal*

*Date of Termination*

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9. Have you acquired any new foreign principal<sup>1</sup> during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information:

*Name and address of foreign principal*

*Date acquired*

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10. In addition to those named in Items 8 and 9, if any, list the foreign principals<sup>1</sup> whom you continued to represent during the 6 month reporting period.

**CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE**

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## III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

**CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE**

We handled a) the procurement of capital goods and its shipment for enterprises under Chilean government sponsorship and interest, which C & F value for this period was of approximately \$ 10,702,807.31 representing 8,414 tons shipped. b) The servicing of loans under foreign credit arrangements of principal and interest, which during this period was of approximately \$ 36,702.00

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<sup>1</sup> The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity<sup>2</sup> as defined below?

Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Corporacion de Fomento de la Produccion through its "Chile Economic News" monthly newsletter, provides information about the Chilean economy. The most frequent subjects are: finance, foreign investments, agro-industrial developments and trade. Also, reproduction of statistical tabulations related to the Chilean economy.

Booklet "Chile An Economic Profile" was prepared jointly by the Central Bank of Chile, the Economic Section of the Chilean Embassy in Washington, D.C. and the New York Office of Corporacion de Fomento de la Produccion. This booklet presents the economic picture of Chile through 1976.

Booklet "Corporacion de Fomento de la Produccion, Operating and Financial Review". This Booklet outlines the creation, accomplishments, present endeavors, future goals and financial statement of Corporacion de Fomento de la Produccion, Santiago, Chile.

Our President, Mr. Sergio Undurraga delivered a speech on the economy of Chile on November 10, 1977 at the American Managements Symposium on Chile. Copy of presentation is attached.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals?

Yes ☐ No ☒

If yes, describe fully.

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<sup>2</sup> The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS - MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.<sup>3</sup>

<i>Date</i>	<i>From Whom</i>	<i>Purpose</i>	<i>Amount</i>
See details in Exhibit No. 14(a) attached			\$ 367,709.-

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Total \$ 367,709.-

14. (b) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value<sup>4</sup> other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Name of foreign principal</i>	<i>Date received</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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<sup>3</sup> A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

<sup>4</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS - MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
See details in Exhibit No. 15 (a) attached			\$ 775,505.28

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Total	\$ 775,505.28
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15. (b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value<sup>5</sup> other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Date disposed</i>	<i>Name of person to whom given</i>	<i>On behalf of what foreign principal</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value<sup>5</sup> in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

<i>Date</i>	<i>Amount or thing of value</i>	<i>Name of political organization</i>	<i>Name of candidate</i>
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V - POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.

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<sup>5</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda?  
Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☐ Letters or telegrams  
☐ Advertising campaigns ☐ Press releases ☒ Pamphlets or other publications ☒ Lectures or speeches

☐ Other (specify) \_\_\_\_\_

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☒ Libraries  
☒ Legislators ☒ Editors ☒ Educational institutions  
☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other (Specify) \_\_\_\_\_

21. What language was used in this political propaganda:

☒ English

☐ Other (specify) \_\_\_\_\_

22. Did you file with the Registration Section, Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period?

Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☐ No ☐ See attached/.

24. Did you file with the Registration Section, Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act?

Yes ☒ No ☐

## VI - EXHIBITS AND ATTACHMENTS

### 25. EXHIBITS A AND B

- (a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A<sup>6</sup> Yes ☐ No ☐

Exhibit B<sup>7</sup> Yes ☐ No ☐

If no, please attach the required exhibit.

- (a) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period?

Yes ☐ No ☐

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

<sup>6</sup> The Exhibit A, which is filed on Form OBD-67 (Formerly DJ-306) sets forth the information required to be disclosed concerning each foreign principal.

<sup>7</sup> The Exhibit B, which is filed on Form OBD-65 (Formerly DJ-304) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.



26. EXHIBIT C

If you have previously filed an Exhibit C<sup>8</sup>, state whether any changes therein have occurred during this 6 month reporting period.

Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements, been filed by all of the persons named in Items 5 and 7 of the supplemental statement?

Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

  
Ricardo Corssen

Vice President  
CORPORACION DE FOMENTO  
DE LA PRODUCCION

Subscribed and sworn to before me at One World Trade Center - Suite 5151  
New York, New York 10048

this 28th day of April, 19 78

GERARD B. COOPER  
Notary Public, State of New York  
No. 24-0754125  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires March 30, 1979

My commission expires March 30th, 1979.

  
(Signature of notary or other officer)

<sup>8</sup> The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, Department of Justice, Washington, D.C. 20530.

PRESENTATION OF MR. SERGIO UNDURRAGA,  
PRESIDENT OF CORFO'S NEW YORK OFFICE, AT THE  
AMERICAN MANAGEMENT ASSOCIATION'S SYMPOSIUM ON CHILE  
NEW YORK CITY ON NOVEMBER 10, 1977

Most of you are probably familiar with the general developments in the Chilean economy since 1970 but it may not be amiss to briefly review the highlights in order to lay the groundwork for discussion of what has taken place in more recent years.

The decade of the 70's has certainly been one of profound changes for Chile. In 1970, a Marxist government came to power through the traditional democratic process and immediately proceeded to launch an economic program introducing state ownership in most of the productive sector. By 1973, this approach had proven a complete failure. The political as well as the economic system reached a critical point which resulted finally in the formation of a military government and the beginning of a period of economic and institutional reorganization aimed at restoring stability, confidence and social well-being. We cannot overlook the fact that Chile's economic problems were not born in the early 70's. They actually had developed over a number of years and the 1973 crisis only topped off a process started much earlier.

When the Second World War broke out, Chile adopted a strategy of "inward-looking development." This included: first, an exaggerated protectionist policy for domestic industrial production through the application of extremely high customs duties and an overvalued foreign exchange policy. The deterioration in the agricultural and export sector in general was regarded as "a necessary social cost for the creation of a more sophisticated national industry. Secondly, the State began to exercise control over production ending up with the Government operating many enterprises; the introduction of price controls; regulations for the functioning of the labor market and restrictions on commercial and financial activities and other limiting actions. These measures responded to a belief that the private sector was incapable of handling many of the problems and tasks as well as to ideological thinking that the private sector should not be permitted for political reasons to assume such responsibilities.

These approaches had different degrees of intensity in the history of our countries and in other nations; I believe that it is important to keep them in mind in order to better understand the economic evolution of Chile.

As you gentlemen well know, the present Chilean Government and the great majority of professional economists are of the opinion that this type of development was not and is not appropriate for Chile. Therefore, beginning in September 1973, Chile came back to a mixed economy system but with

a much stronger emphasis on an efficient allocation of resources. The conviction that the protectionist model was erroneous did not fundamentally obey certain philosophical or ideological concepts; but it merely reflected conclusions based on historical facts. What were those facts?

- 1.- A slow rate of growth in the GNP except in unusual years when it scarcely exceeded population growth.
- 2.- Excessive dependency on copper revenues and official capital flows to finance the continuous external commercial deficits and as a consequence, a mounting external debt.
- 3.- A chronic deficit in the State's budget due to excessively large expenditures and inefficient operations of public companies.
- 4.- As a direct result of the above, there was a permanent need for the Central Bank to finance fiscal deficits by printing money, and thus generating inflation.
- 5.- A depressed internal capital market due to the control of interest rates in an inflationary environment as well as a regulatory ban on the creation of financial instruments.
- 6.- A wage policy dependent upon short-term political expediency, overlooking productivity considerations.
- 7.- High unemployment; that is to say, a high percentage of the work force without jobs or performing jobs of limited productivity.
- 8.- A inefficient policy of social expenditures that tended to favor the middle-income groups but did not solve the problems of the poorest sectors.

As most of you know, Chile undertook an economic program late in 1973 that had two fundamental objectives:

- a.) To accelerate the rise in the levels of per capita income, and
- b.) To improve the distribution of that income through policies governing public expenditures and taxes.

This was done by outlining a series of specific measures in the monetary sectors, government expenditures, management of State-owned enterprises, import duties, type of exchange and other areas. These were then implemented so that Chile could strengthen the bases of its economy and reassign its resources internally in order to assure greater economic growth and more equitable distribution.

The results for the 1974-1976 period are described in the brochure, CHILE: AN ECONOMIC PROFILE, which all of you have. I would only like to point out that many impartial observers in and outside Chile, including multilateral organizations such as the International Monetary Fund, the World Bank, the Inter-American Development Bank and many others, have all agreed that the progress Chile has achieved to date is significant, when one considers the

state of its economy at the beginning of the development program and the very serious international crisis which greatly affected countries like Chile, net importers of oil and highly dependent on raw materials.

We do not want to kid ourselves. There is still a great deal to be done and perhaps some things have been done badly. But we are realists and I believe that Chile is now on the right road. It is very reassuring to know that such a diverse group of international institutions as well as the Chilean people feel the same way.

Now let us look at the more recent developments. (All these are summarized in the material distributed to you.)

### FOREIGN TRADE

Chile has made significant strides in its foreign commerce, with export volume now representing more than twenty per cent of the GNP compared to the average figure of twelve per cent for the decade of the sixties. This percentage should continue to rise as a result of the policy to encourage non-copper exports which enjoy a higher exchange rate than in the past, tax exemptions and simplification of trading procedures.

When we consider imports, we find that customs duties have been reduced from an average of ninety-two per cent in 1973 to twenty-one per cent in 1977. This has aided in reallocating many internal activities, controlling the rise in costs, and improving quality. This policy also has generated additional government income from customs duties.

Non-copper exports have risen about twenty-five per cent during the first eight months of 1977 as compared to the same period in 1976, and should exceed one billion dollars by the end of this year against two hundred and seventy million dollars in 1970. Thus Chile has become less dependent upon copper for foreign exchange revenues and is in a stronger position to meet unexpected variations in the world copper market.

I would like to point out that the rise in non-copper exports has covered a wide number of products such as agriculture, forestry and paper, chemicals, industrial manufactures and others. This is a clear rebuttal to some criticism that the "open-door trade policy" would eventually turn Chile into an "agrarian society."

We should also note the increased number of countries now trading with Chile. For example, in 1970 Chile sent twelve per cent of its exports to the Latin American countries constituting the LAFTA group and about sixty per cent to Europe. Today the situation is different: close to forty per cent of Chile's exports go to our neighbors and about thirty per cent to Europe. The emergence of Japan, Brazil and the Middle East as buyers of Chilean goods is, in my opinion, an important development.

A similar trend can be seen with regard to imports, with those from Latin countries now reaching forty per cent of total imports compared to twenty per cent seven years ago.

As Chile enters the stage of accelerated growth, we expect that imports of capital goods, farm machinery and technology will rise accordingly and modify current figures to a certain extent. More importantly, I believe the commodity composition of trade with the United States and European countries will change as compared to what has occurred in the past. We expect that a larger proportion of imported consumer goods and automobiles will, in the future, come from Asian countries with the developing nations picking up the trade in sophisticated capital goods, and key raw materials for industry and agriculture. We also foresee an increase in "invisible trade" of services coming from the latter groups.

The process of tariff reductions started in 1974 ended in August of this year. The new structure of nominal tariffs has greatly reduced the dispersion of rates as most items are now in the ten to thirty-five per cent category. No further changes are expected in this area.

In the foreign exchange field, 1977 witnessed a decline in the real rate of exchange during the first six months and a slow recovery during the third quarter as the copper price softened and imports rose at a faster rate than expected. This approach is indicative of the fact that the Central Bank is determined to use the foreign exchange rate as an active instrument to meet new developments.

During the last six months, the overall level of gross reserves has remained constant at the eight hundred million dollar level, providing us with a cushion for about five months of imports. The fact that the Central Bank has ceased accumulating foreign assets has also served to strengthen its ability to control the money supply as foreign market operations now represent a lower fraction of new money issued. Therefore, the long-term policy of increased trade is backed up by a consistent exchange policy which will permit the existence of a healthy flow of foreign exchange.

#### G. N. P.

Let us now consider Chile's GNP. Between 1974 and 1976, overall activity was rather sluggish with marked variations from one year to the next. This situation has improved significantly during the last year so that we expect the growth of GNP to exceed eight per cent in 1977 and rates of growth between six and seven per cent for the next five years.

The rather poor record in 1974 and 1975 was due mainly to the combined effects of the recent international crisis which represented a loss to Chile equivalent to twelve per cent of GNP in foreign revenues as the price of copper went down and that of oil went up, and the extremely large amounts of foreign revenue required for servicing the external debt. The latter resulted principally from successive debt re-schedulings in the 1969-1973 period which concentrated large sums due for payment in the 1975-1980 period.

Chile acted realistically to meet this problem. The domestic level of public expenditures and taxes, and consequently the overall production level, was adjusted to reflect the reduced revenues. At the same time, every effort was made to avoid default on foreign obligations which would have created complete chaos. Chile faced up to the situation by tightening its belt for

eighteen months to correct the imbalances once and for all, rather than prolong a crippling existence. The burden of this sacrifice was felt by all sectors. Unemployment rose four to five percentage points above the levels before the emergency plan was adopted. Further deterioration was prevented by a public jobs program and the adoption of a wage-adjustment system whereby all public wages were increased automatically every quarter in proportion to inflation. Today's unemployment rate in the Santiago area, where the most serious pockets of unemployment occur, is about 12.8%, while the rate in the rural areas does not exceed six per cent.

The problem of providing meaningful jobs for young workers in urban areas is, as all of you know, a major headache in most parts of the world, including the United States, Mexico, Canada and some Western European and Latin American countries which are now experiencing regional or racial unemployment rates similar or even higher to that of Santiago.

In weighing the entire situation, Chile's current economic plan implicitly encourages the creation of labor-intensive activities and the replacement of capital-intensive for labor-intensive technologies.

The liberalization of interest rates in the capital markets has been instrumental in raising the cost of capital to reflect its true scarcity in relation to the abundance of labor.

After a period of adjustments the Chilean economy has begun to grow at a rather fast rate. As indicated earlier, GNP in 1977 should increase at least by 8%. This projections is based on leading indicators such as a ten per cent increase in agricultural production, ten per cent in industrial output, and fifteen to twenty per cent in housing construction.

This growth of output was made possible by policies embracing tax reductions, increases in real wages, expanded government expenditures for public works, lower interest rates and expanded commercial credit. For example, real wages increased in excess of thirty per cent in the last twelve months while commercial credit was up by more than fifty per cent in real terms during the same period.

At this point, I would like to emphasize that as a result of the new policies some productive sectors have much brighter prospects than others and some are bound to be less. This means that there is a very large re-allocation process within the Chilean economy and this is only marginally shown in the statistical indicators which are based on the old structure. Take agriculture, for example, where little weight is given to the production of fruits and vegetables, items of extreme importance during the past three years. Something similar occurs in industry. In any event, it is interesting to see how the 1975 recession and the tariff reduction program affected the various industrial sectors. (See Table III.- attached).

Food and paper products were hardly affected by the contraction and output expanded rapidly. Basic non-ferrous metal products also grew substantially, while non-industrial chemicals are on their way up. Basic iron and steel products have remained stagnant, while the production of electronic equipment has declined if one considers that electrical appliances have

shown impressive gains. My earlier observation that there have been some important shifts in the industrial structure is confirmed and, I believe, this process will very very likely continue. Moreover, it indicates that Chile's export potential is not reduced to a small number of items, but it may very well cover a large number besides the typical, namely, copper, forestry products, fishing and fruits. In fact, of the 99 potential broad export categories, Chile is exporting 82 of them.

### INFLATION

We now should consider a problem which has beset Chile -- and many other countries -- for years. I refer to inflation. Perhaps one of the most impressive features of the 1977 growth process in Chile has been the simultaneous increase in activity coupled with a substantial reduction in inflation. As you probably know, by late 1973 Chile was in a hyper-inflationary situation which, according to the World Bank, reached rates over one-thousand per cent by early 1974 at the consumer level, and over two thousand per cent at the wholesale level. No one knows the exact figures because of arbitrary price controls which distorted all indices, especially the official index.

One of the first decisions of the new Government was to lift most these price controls, letting the whole problem come out into the open. A key figure corrected at that time was that of foreign exchange. Its level was adjusted by a factor of ten on a one-shot basis. Consequently, the price index experienced some large increase during 1974 as the structure of relative prices was corrected to more normal levels.

The vigorous 1975 program was aimed basically at correcting the serious imbalances created by the international crisis and so very little was gained during that year in our battle against inflation.

During 1976, inflation was the target of heavy attack and the annual inflation rate was slashed to half from about three hundred and fifty per cent in December 1975 to one hundred and seventy-five percent in December 1976.

During 1977, this pattern continued at an even faster pace. As of October of this year, the annual inflation rate is at a level of sixty nine per cent.

The interesting point in all this is that Chile has simultaneously doubled its growth rate and cut in half the inflation rate. This is something very hard to find in today's world economy.

This record was obtained by a mixture of policies which included, among others, a controlled expansion of the money supply and internal credit; a substantial reduction in the deficit of publicly-owned companies, usually financed by the Central Bank; a controlled expansion of public expenditures with great emphasis on the effectiveness of projects, and finally, an improved system of tax collection.

It should also be pointed out that earlier achievements in the anti-inflationary battle served to generate further downward expectations for

the future course of the process, thus permitting net increases in the real size of the monetary base as the public has kept larger cash balances and for a longer period of time. This has permitted the simultaneous increase in liquidity through the commercial credit system with the reduced rate of inflation. This is an important development for the future path of inflation.

### FISCAL POLICY

With regard to fiscal expenditures, the patterns established in 1975<sup>5</sup> of surplus in the domestic budget and deficits in the external budget has continued in 1977, and it will result in an overall deficit of between three and four per cent. This represents substantial improvements over the situation in the early seventies. For example, in 1973 the fiscal deficit was fifty-five per cent of total expenditures or about twenty-three per cent of the GNP. Today that deficit is less than three per cent of the GNP.

This has been achieved by reduced and more efficient spending, and much larger tax collections. This fact deserves emphasis. Total tax collections in 1973 were sixteen per cent of the GNP, while in 1976 they amounted to twenty-three per cent. During 1977, total collections have increased by about eighteen per cent in real terms relative to last year as the economy expanded and the system became more efficient and equitable.

Another factor worthy of note is that during 1977 many tax rates were lowered. The substitution in 1975 of the sales tax for a value-added tax was a major factor in the improvements in the entire tax system.

### FOREIGN INVESTMENT

As many of you know, and we will hear more about this later, Chile has instituted a Foreign Investment Statute which is the legal framework under which direct foreign investments must operate. Since other members of the panel will probably discuss this topic more extensively, I would only like to mention that during 1977 some very important agreements were signed between my Government and various foreign investors. So far, the main interest has focussed on the mining sector and, depending on the success of exploratory work, might eventually involve new investments totaling about one billion dollars.

An agreement with Noranda Mines of Canada provides for the exploration and development of the Andacollo copper deposit, with an estimated two hundred and twenty million tons of ore, for a total investment of two hundred and fifty million dollars.

A consortium including the Superior Oil Company, Falconbridge Mines, Canadian Superior Oil and McIntyre Mines will explore and develop the Quebrada Blanca copper deposit for an eventual investment of five hundred million dollars.



ENAP, the National Petroleum Company of Chile, is now negotiating a joint venture with Atlantic Richfield and Air Products Company for developing a liquefaction plant for Chile's proven reserves of natural gas in the Straits of Magellan area which might represent annual revenues in excess of three hundred million dollars per year once the plant starts operations. The liquid gas would be exported to the United States and a long-term sales contract is now in the negotiation stage. Oil exploration agreements are also being discussed with Atlantic Richfield concerning the southern coastal areas of Chile.

Other areas of interest have been tourism, lumber, and agro-industry.

There still exist vast areas of interest for potential foreign investors and Chile would more than welcome the resources and the technology usually involved in such investments.

I wish to emphasize that my country looks forward to establishing long-term relationships, if possible, with foreign investors. Even though there are very minor minimum-stay provisions, Chile is interested in granting stability and favorable conditions to those sectors that might prosper without special treatment, tax exemptions and other discriminatory prerogatives unavailable to the domestic investor. It has been our experience in the past that it is rather easy to attract activities by granting excessive privileges. But such industries do not benefit the country because they create an "enclave" situation with very little spill-over effects for the rest of the economy. Such policy also encourages the influx of investors more interested in making a "fast buck" than in transmitting know-how. Chile believes that by eliminating all profit-remittance ceilings and the establishment of reasonable tax structures, the proper kind of foreign companies can be attracted to come and to stay in the country.

To sum up and at the same time thank you for permitting me to barrage you with figures: Chile has made some impressive gains since the new Government came to power. The 1975 crisis created new challenges which were met head-on despite the fact that this meant heavy sacrifices by every Chilean. As 1977 is showing, we believe that Chile can grow at a rate twice its historical level and, at the same time, substantially improve the level of well-being among the poorest sectors of our population.

The combined effects of an outward-looking development process together with an efficient system of public expenditures aimed directly at helping the needy, will help us achieve our objectives.

We are happy to know that similar course of action have been recommended to the underdeveloped world by many multilateral institutions and we are proud of the Chilean people who bore the temporary but painful cost which such a radical change involves.

We still have a lot to do but we are confident that we have chosen the right path.

T A B L E I.- C H I L E

FOREIGN TRADE

January-August 1976 & 1977

(in US\$ millions)

<u>EXPORTS (Shipments)</u>	<u>1976</u>	<u>% of Total</u>	<u>1977</u>	<u>% of Total</u>	<u>%Variation</u>
I. Mining	<u>922.5</u>	69.3	<u>917.3</u>	63.9	<u>-5.6%</u>
Copper	808.7	60.7	784.3	54.6	- 3.0%
II Agriculture & Sea	<u>94.1</u>	7.1	<u>131.9</u>	9.2	<u>40.2%</u>
III Industrials	<u>315.3</u>	23.7	<u>387.4</u>	27.0	<u>22.9%</u>
of which: Food Prods.	65.4		102.1		56.1%
Lumber	18.1		45.9		153.6%
Paper Prods.	83.5		86.2		3.2%
Chemicals	37.2		43.0		15.6%
Basic Metal Prods.	56.6		63.0		11.3%
TOTAL EXPORTS	1331.9	100.0	1436.6	100.0	7.8%
Total Non-Copper Exports	523.2	39.3	652.3	45.4	24.7%

I M P O R T S (PERMITS)

January-August 1976 & 1977

(In US\$ millions)

I Consumer Goods	69.0	7.1	236.6	16.4	242.7
of which:					
Industrial Foods	11.5	1.2	58.6	4.1	408.0
Drugs & Medicines	12.6	1.3	14.7	1.0	17.4

## IMPORTS (Permits)

January-August 1976&amp;1977

(in US\$ millions.)

	<u>1976</u>	<u>% of Total</u>	<u>1977</u>	<u>% of Total</u>	<u>% Variation</u>
II Capital Goods					
of which:					
Equipt.& Machinery	164.6	16.8	222.9	15.5	35.5
Transport.Material	33.5	3.4	160.9	11.2	380.6
III Intermediate Goods					
of which:					
Agric.Raw Material	162.3	16.6	93.5	6.5	-42.4
Indust. " "	142.5	14.6	220	15.3	54.3
Interm.Industrials	57.4	5.9	115.3	8.0	101.0
Spare Parts	65.5	6.7	86.9	6.0	32.6
Oil & Lubriacts.	279.2	28.6	273.5	19.0	-2.0
TOTAL IMPORTS	977.7	100.0	1441.1	100.0	47.4
<u>Trade Balances</u>					
Total (Jan-Aug)	354.2		- 4.5		
Agricultural (Jan-Aug)	-68.2		38.4		

## IMPORT PERMITS BY SECTOR OF ORIGIN

January - August ea.yr.

	% of total	
<u>JAN - AUGUST</u>	<u>PRIVATE SECTOR</u>	<u>PUBLIC SECTOR</u>
1970	66.4	33.6
1971	52.7	46.3
1972	36.2	63.8
1973	27.8	72.2
1974	35.5	64.5
1975	50.4	49.6
1976	43.7	56.3
1977	68.9	31.1

## EXPORTS &amp; IMPORTS BY COUNTRY

% of Total

January-August 1977

	<u>Exports (Jan.-June) excluding copper</u>	<u>Imports (Ja.Aug.)</u>
LAFTA	37.0	31.6
U.S.A.	14.0	21.3
JAPAN	13.0	11.4
SPAIN	1.0	2.7
E.E.C.	18.0	15.2
IRAN	*	8.1
CANADA	1.0	1.6
REST OF WORLD *	16.0	8.1

## MAIN COPPER BUYERS

January/June 1976 &amp; 1977

% of Total Copper Exports

	<u>1976</u>	<u>1977</u>
GERMANY	20.5	19.9
BRAZIL	12.5	18.7
U.S.A.	10.4	9.4
JAPAN	10.4	11.1
ENGLAND	9.7	7.6
ITALY	6.3	6.5
REST OF EUROPE	16.0	13.8
PEOPLE'S REP.OF CHINA	3.3	0.6
OTHER SOCIALIST COUNTRIES	3.5	3.3
SOUTH KOREA	0.9	2.4
TAIWAN	1.0	1.9

# T A B L E   II.-   C H I L E -----

## PUBLIC SECTOR

First Half of 1977 (in US\$ millions)

### I.-   CONSOLIDATED EXPENDITURES & REVENUES

	<u>Domestic Currency</u>	<u>Foreign Currency</u>	<u>Total</u>
Revenues	2080	156	2236
Expenditures	2039	282	2321
	<hr/>	<hr/>	<hr/>
Superavit (Deficit)	41	(195)	(85)
as % of Expenditures	2	(45)	(4)

### II.-   TAX REVENUES   (in thousands of Ch.\$, average 1st half 1977)

	<u>1976</u>	<u>% of Total</u>	<u>1977</u>	<u>% of Total</u>	<u>% Variation</u>
Direct Taxes	6668.3	31.8	7303.4	29.4	9.5
Indirect Taxes	14286.1	68.2	17532.0	70.6	22.7
of which: Domestic VAT (4814.1)		(23.0)	(6918.7)	(27.9)	(43.7)
Imports VAT (1264.0)		(6.0)	(2390.3)	(9.6)	(89.1)
TOTAL:	<u>20954</u> <u>=====</u>	<u>100.0</u> <u>=====</u>	<u>24835.4</u> <u>=====</u>	<u>100.0</u> <u>=====</u>	<u>18.5</u> <u>=====</u>
 (Total tax collects. ( on Imports )	 3635.6	 17.4	 4579.1	 18.4	 26.0)

T A B L E   I I I . -   C H I L E

INDEX OF INDUSTRIAL OUTPUT - Selected Items

December 1969 = 100

	<u>1973</u>	<u>Annual Averages</u>			<u>Aug. 1977</u>
	<u>1973</u>	<u>1973</u>	<u>1975</u>	<u>1976</u>	
<u>GROUP I "FAST GROWING":</u>					
Food Products	100.4	104.2	92.6	108.6	123.4
Paper Products	90.4	97.3	89.7	99.9	118.9
Non-Industrial Chemicals	117.3	123.5	87.5	113.1	113.1
Basic Non-Ferrous Metal Prods.	122.8	151.6	137.1	166.9	178.7
Electric Appliances	111.6	109.3	69.0	87.3	161.8
 <u>GROUP II "SLOW GROWING":</u>					
Textiles	119.2	100.1	68.7	71.6	89.8
Apparels & Clothing	106.8	93.5	72.1	61.2	80.4
Leather Prods. (excl. footwear)	88.1	85.8	76.9	69.9	84.4
Footwear	117.1	98.1	64.2	70.0	66.4
Industrial Chemicals	105.8	96.6	52.6	58.0	71.4
Basic Iron & Steel Prods.	87.3	94.6	75.8	61.0	78.0
Electronic Equipment	106.9	142.4	118.5	74.7	81.9

CORPORACION DE FOMENTO DE LA PRODUCCION - NEW YORK OFFICE

E X H I B I T 14 (a)

Payments Made by Source of Funds

Oct. 1977 to March 1978 (in Thousands of U.S. \$)

RECEIVED  
GENERAL INVESTMENT  
DIVISION  
MAR 2 11 15 AM '78

MONTH	S O U R C E S	P A Y M E N T S		
		Payment of Foreign Debt	New York Office Expenses	C.I.F. Value of Purchase Orders
OCTOBER	CORFO-Santiago Subsidiaries & Other Chilean Public Entities International Financial Institutions	\$ 3,123 -0- 2,922	139 -0- -0-	\$ 1,096 33,006 12
OCTOBER TOTALS		6,045	139	34,114
				\$ 40,298
NOVEMBER	CORFO-Santiago Subsidiaries & Other Chilean Public Entities Insternational Financial Institutions	-0- -0- 1,655	118 -0- -0-	-0- 49,690 2,859
NOVEMBER TOTALS		1,655	118	52,549
				54,322
DECEMBER	CORFO-Santiago Subsidiaries & Other Chilean Public Entities International Financial Institutions	-0- -0- 13,927	174 -0- -0-	-0- 75,442 1,221
DECEMBER TOTALS		13,927	174	76,663
				90,764
JANUARY	CORFO-Santiago Subsidiaries & Other Chilean Public Entities International Financial Institutions	-0- -0- 7,792	127 -0- -0-	-0- 46,124 1,872
JANUARY TOTALS		7,792	127	47,996
				55,915
FEBRUARY	CORFO-Santiago Subsidiaries & Other Chilean Public Entities International Financial Institutions	-0- -0- 1,115	112 -0- -0-	-0- 74,611 365
FEBRUARY TOTALS		1,115	112	74,976
				76,203



MONTH	S O U R C E S	P A Y M E N T S		
		Payment of Foreign Debt	New York Office Expenses	C.I.F. Value of Purchase Orders
MARCH	CORFO-Santiago Subsidiaries & Other Chilean Public Entities International Financial Institutions	\$ -0- -0- 6,168	\$ 174 -0- -0-	\$ -0- 42,252 1,613
MARCH TOTALS		<u>6,168</u>	<u>174</u>	<u>43,865</u>
				<u>50,207</u>
OCTOBER TO MARCH TOTALS		<u>\$ 36,702</u>	<u>\$ 844</u>	<u>\$330,163</u>
				<u>\$367,709</u>

RECORDED  
EXHIBIT No. 15 (a)  
MAR 2 11 15 AM '78

EXHIBIT No. 15 (a)

<u>DATE</u>	<u>DESCRIPTION TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Oct. 1/77 to March 30/78		Salaries & other office overhead expenses.		\$ 683,350.15
Oct./77	American Airlines	Fares & Freight	343.00	
Oct./77	Patricio Paris	"	78.00	
Oct./77	Columbus International	"	231.06	
Oct./77	Lan Chile Airlines	"	214.42	
Oct./77	American Airlines	"	156.00	
Oct./77	Lan Chile Airlines	"	88.44	
Nov./77	P & G Travel Service Inc.	"	336.00	
Nov./77	Nury Saez	"	748.00	
Nov./77	Lan Chile Airlines	"	175.16	
Nov./77	Lan Chile Airlines	"	223.48	
Nov./77	Eduardo Schijman	"	160.00	
Dec./77	American Airlines	"	80.00	
Dec./77	Eduardo Justiniano	"	347.25	
Dec./77	American Airlines	"	80.00	
Jan./78	Lan Chile Airlines	"	375.30	
Jan./78	Eduardo Schijman	"	106.00	
Feb./78	Lan Chile Airlines	"	256.00	
Feb./78	Lan Chile Airlines	"	774.70	
Feb./78	American Airlines	"	1,812.00	
Feb./78	American Express Co.	"	160.00	
Feb./78	Sergio Undurraga	"	625.00	
Feb./78	American Express Co.	"	80.00	
Mar./78	Eduardo Schijman	"	80.00	
Mar./78	American Airlines	"	40.00	
Mar./78	Sergio Undurraga	"	25.00	
Mar./78	Jorge F. Claro	"	80.00	
Mar./78	American Airlines	"	40.00	
Mar./78	Eduardo Schijman	"	270.00	
Mar./78	American Express Co.	"	80.00	
				<u>8,064.81</u>
			Sub-total	\$ 691,414.96

E X H I B I T No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Mar./78	Isidoro Palma	Fares & Freight	Forwarded	\$ 691.414.96
Mar./78	Eastern Island Travel Service Inc."	"	41.00	
Mar./78	Lan Chile Airlines	"	1,852.00	
			<u>350.70</u>	2,243.70
Oct./77	Eduardo A. Justiniano	Travel Expenses	31.00	
Oct./77	Isidoro Palma	"	104.40	
Nov./77	Joaquin Prieto	"	600.00	
Nov./77	Luis A. Camus	"	300.00	
Nov./77	Ricardo Corssen	"	26.50	
Nov./77	Isidoro Palma	"	92.67	
Nov./77	Eduardo Schijman	"	26.00	
Nov./77	Joaquin Prieto	"	184.00	
Dec./77	Jaime Massanet	"	104.21	
Dec./77	Eduardo Justiniano	"	388.72	
Jan./78	Eduardo Schijman	"	16.10	
Jan./78	Luis A. Camus	"	240.00	
Feb./78	Ricardo Corssen	"	396.78	
Feb./78	The Hertz Corporation	"	174.74	
Mar./78	Eduardo Schijman	"	63.05	
Mar./78	Sergio Undurraga	"	85.00	
Mar./78	Luis A. Camus	"	840.00	
Mar./78	Jorge F. Claro	"	264.21	
Mar./78	Ricardo Corssen	"	48.10	
Mar./78	Eduardo Schijman	"	1,020.00	
Mar./78	Isidoro Palma	"	33.00	
Mar./78	Isidoro Palma	"	<u>37.50</u>	5,075.98
			Sub-total	\$ 698,734.64

EXHIBIT No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Oct./77	Fine Graphics Inc.	Printing	Forwarded	
Oct./77	Fine Graphics Inc.	"	3,950.00	\$ 698,734.64
Oct./77	Eduardo Schijman	"	4,055.93	
Oct./77	Eduardo Schijman	"	25.00	
Oct./77	Fine Graphics Inc.	"	30.00	
Oct./77	Fine Graphics Inc.	"	1,715.00	
Oct./77	Fine Graphics Inc.	"	8,039.67	
Oct./77	Bob Borowicz	"	120.00	
Nov./77	Eduardo Schijman	"	30.00	
Dec./77	Fine Graphics Inc.	"	5,856.01	
Dec./77	Eduardo Schijman	"	30.00	
Dec./77	Eduardo Schijman	"	13.50	
Dec./77	Fine Graphics Inc.	"	5,488.33	
Jan./78	Fine Graphics Inc.	"	3,998.17	
Jan./78	Eduardo Schijman	"	30.00	
Feb./78	Fine Graphics Inc.	"	1,035.00	
Mar./78	Eduardo Schijman	"	30.00	
Mar./78	Fine Graphics Inc.	"	10,753.70	
Mar./78	Fine Graphics Inc.	"	85.00	
Mar./78	Eduardo Schijman	"	30.00	
Mar./78	Fine Graphics Inc.	"	4,606.98	49,922.29
Oct./77	Sergio Undurraga	Public Relations	167.50	
Oct./77	American Express Co.	"	71.23	
Oct./77	The Club at the W.T.C.	"	105.52	
Oct./77	Joaquin Prieto	"	25.30	
Oct./77	The Atlantic Council of the U.S.	"	500.00	
Oct./77	Chile-North Amer. Chamber of Commerce	"	125.00	994.55
	Sub-total			\$ 749,651.48

EXHIBIT No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Oct./77	C.A.L.A.	Public Relations	Forwarded	
Nov./77	Tavern on the Green	" "	50.00	\$ 749,651.48
Nov./77	The Club at the W.T.C.	" "	500.00	
Nov./77	The Club at the W.T.C.	" "	42.00	
Nov./77	American Express Co.	" "	75.06	
Nov./77	Eduardo Schijman	" "	175.13	
Nov./77	Ricardo Corssen	" "	20.00	
Nov./77	Eduardo Schijman	" "	33.00	
Nov./77	Sigfredo Garcia	" "	19.65	
Dec./77	American Express Co.	" "	26.70	
Dec./77	Society of Foreign Consuls	" "	51.00	
Dec./77	Tavern on the Green	" "	100.00	
Dec./77	Eduardo Schijman	" "	2,400.00	
Dec./77	The Club at the W.T.C.	" "	20.00	
Jan./78	Tavern on the Green	" "	88.52	
Jan./78	Roger Stanley	" "	358.40	
Jan./78	Joaquin Prieto	" "	165.00	
Jan./78	The Club at the W.T.C.	" "	83.25	
Jan./78	Joaquin Prieto	" "	153.60	
Jan./78	The Club at the W.T.C.	" "	34.00	
Jan./78	Ricardo Corssen	" "	97.20	
Feb./78	Eduardo Schijman	" "	32.00	
Feb./78	Joaquin Prieto	" "	61.65	
Feb./78	North Amer.-Chilean Chamber of Commerce	" "	25.68	
Feb./78	American Express Co.	" "	165.00	
Feb./78	The Club at the W.T.C.	" "	33.91	
Feb./78	The Club at the W.T.C.	" "	281.80	
Mar./78	The Club at the W.T.C.	" "	48.26	
Mar./78	Eduardo Schijman	" "	122.62	
Mar./78	Joaquin Prieto	" "	24.40	
			165.98	
			<u>5,453.81</u>	
			Sub-total	\$ 755,105.29

EXHIBIT No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Oct./77	Chilean Embassy	Secretarial Serv. &	Forwarded	
Nov./77	Chilean Embassy	Other	3,686.37	\$ 755,105.29
Dec./77	Chilean Embassy	"	4,003.89	
Jan./78	Chilean Embassy	"	3,500.00	
Mar./78	Chilean Embassy	"	3,964.77	
Mar./78	Chilean Embassy	"	3,744.96	
	Chilean Embassy	"	3,500.00	22,399.99
			Total	\$ 777,505.28

- ITEM 23 -

Chile Economic News was labeled with statement required by 4(b) of the Act.

Chile An Economic Profile and Corporacion de Fomento de la Produccion, Operating and Financial Review were not labeled with statement required by 4(b) of the Act.

RECEIVED  
JAN 10 1964  
U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS  
WASHINGTON, D.C.

UNITED STATES DEPARTMENT OF JUSTICE  
REGISTRATION UNIT  
CRIMINAL DIVISION  
WASHINGTON, D. C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your supplemental statement:

1. Is your answer to Item 16 of Section V (Political Propaganda - page 7 of Form OBD-64 - Supplemental Statement):


Yes           X           or No                                 

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

Yes                                  or No                                 

(If your answer to question 2 is "yes" please forward for our review copies of all such material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

  
Signature

April 28, 1978  
Date

Ricardo Corssen

Please type or print name of  
signatory on the line above

Vice President  
Title